

ASSEMBLY BILL

No. 1874

Introduced by Assembly Member Horton

February 4, 2002

An act to amend Section 1758.81 and 1758.92 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1874, as introduced, Horton. Insurance: license renewal.

Existing law provides for the licensure, including the renewal of licenses, and regulation of rental car agents and credit insurance agents by the Insurance Commissioner.

This bill would authorize the commissioner to mail a renewal application to these licensees to the latest address the commissioner has for the licensees not less than 60 days before his or her license is set to expire. The bill would authorize the renewal application to be filed up to one year after the expiration date of the license. The bill would require a penalty of 50% of the renewal fee to be charged a licensee who continues to practice after the expiration of his or her license.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1758.81 of the Insurance Code is
2 amended to read:
3 1758.81. (a) An applicant for a rental car agent license under
4 this article shall file the following documents with the
5 commissioner:

1 (1) A written application for licensure, signed by the applicant
2 or an officer of the applicant, in the form prescribed by the
3 commissioner.

4 (2) A certificate by the insurer that is to be named in the rental
5 car agent license, stating that the insurer has satisfied itself that the
6 named applicant is trustworthy and competent to act as its
7 insurance agent limited to this purpose and that the insurer will
8 appoint the applicant to act as its agent to transact the kind or kinds
9 of insurance that are permitted by this article, if the rental car agent
10 license applied for is issued by the commissioner. The certification
11 shall be subscribed by an officer or managing agent of the insurer
12 on a form prescribed by the commissioner.

13 (3) An application fee, and each license period thereafter, a
14 renewal fee, in an amount or amounts determined by the
15 department as sufficient to defray the department's actual cost of
16 processing the application or renewal and implementing this
17 article.

18 (4) *Not less than 60 days before a permanent license will expire,*
19 *the commissioner may mail, to the latest address appearing on his*
20 *or her records, an application to the licensee to renew the license*
21 *for the appropriate succeeding license term. It is the licensee's*
22 *responsibility to renew whether or not a renewal notice is received.*
23 *The commissioner may accept a late renewal, provided the*
24 *licensee's failure to comply is due to clerical error or inadvertence*
25 *on the part of the department.*

26 (A) *The application for renewal of a license may be filed on or*
27 *before the expiration date.*

28 (B) *The application for renewal of an expired license may be*
29 *filed after the expiration date and until that same month and day*
30 *of the next succeeding year. A licensee who continues to practice*
31 *after his or her license has expired shall be charged, in addition*
32 *to the renewal fee, a penalty of 50 percent of the renewal fee.*

33 (b) Notwithstanding any other provision of law to the contrary,
34 Sections 1667, 1668, 1668.5, 1669, 1670, 1738, and 1739 apply
35 to any application for or issuance of a license pursuant to this
36 article.

37 (c) Costs associated with any enforcement action or
38 investigation shall be paid for by the person or organization
39 licensed pursuant to this article.

1 SEC. 2. Section 1758.92 of the Insurance Code is amended to
2 read:

3 1758.92. (a) An applicant for a credit insurance agent license
4 under this article shall submit each of the following to the
5 commissioner:

6 (1) A written application for licensure signed by the applicant
7 or an officer of the applicant, in the form prescribed by the
8 commissioner.

9 (2) A certificate by the insurer that is to be named in the credit
10 insurance agent license, stating that the insurer has satisfied itself
11 that the named applicant is trustworthy and competent to act as its
12 insurance agent limited to this purpose and that the insurer will
13 appoint the applicant to act as its agent in reference to selling or
14 soliciting the kind or kinds of insurance that are permitted by this
15 article, if the credit insurance agent license applied for is issued by
16 the commissioner. The certification shall be subscribed by an
17 officer or managing agent of the insurer on a form prescribed by
18 the commissioner.

19 (3) An application fee, and each license period thereafter, a
20 renewal fee, in an amount or amounts determined by the
21 department as sufficient to defray the department's actual costs of
22 processing the application or renewal and implementing this
23 article.

24 The limitation on fee increases of 10 percent without prior
25 approval of the Legislature set forth in Section 12978 shall not
26 apply to the application or renewal fee set forth in this subdivision
27 during the years 2002, 2003, and 2004.

28 (4) *Not less than 60 days before a permanent license will expire,*
29 *the commissioner may mail, to the latest address appearing on his*
30 *or her records, an application to the licensee to renew the license*
31 *for the appropriate succeeding license term. It is the licensee's*
32 *responsibility to renew whether or not a renewal notice is received.*
33 *The commissioner may accept a late renewal, provided the*
34 *licensee's failure to comply is due to clerical error or inadvertence*
35 *on the part of the department.*

36 (A) *The application for renewal of a license may be filed on or*
37 *before the expiration date.*

38 (B) *The application for renewal of an expired license may be*
39 *filed after the expiration date and until that same month and day*
40 *of the next succeeding year. A licensee who continues to practice*

1 *after his or her license has expired shall be charged, in addition*
2 *to the renewal fee, a penalty of 50 percent of the renewal fee.*

3 (b) Notwithstanding any other provision of law to the contrary,
4 the provisions set forth in Sections 1667, 1668, 1668.5, 1669,
5 1670, 1738, and 1739 apply to any application for or issuance of
6 a license, or any application for or approval of an endorsee,
7 pursuant to this article.

